

5 FEBRUARY 2024

Limon Gold-Silver Discovery, Bramaderos Project,
Southern Ecuador
Limon Exploration Target -
Additional Information

Sunstone Metals Ltd (ASX: STM) announced the initial Exploration Target for the Limon gold-silver discovery on 9 November 2023.

The Exploration Target consists of between approximately 30 and 44 million tonnes at a grade of between 0.9 and 1.2g/t AuEq* (ranges of 0.8 to 1.1g/t gold and 12 to 15.8g/t silver), for between 0.9 and 1.7mill oz AuEq. The ASX has requested that the Table 1 below be re-issued to include the individual grade ranges of metals (in this case gold and silver only) within the AuEq calculation as required by Clause 50 of the JORC Code (2012).

The potential tonnage, grade and quantity of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

Recent exploration activity at Limon, subsequent to the release of the Limon gold-silver Exploration Target, has focussed on trenching and has identified significant gold and silver intersections at surface (in trenches LM-05, LM-06 and LM-07, (see ASX announcements dated 19 December 2023 and 31 January 2024) that lie within Anomaly B and C of the Limon Epithermal Exploration Target but were not used in its estimation (see Figures 1 and 2 below).

Furthermore, trenches LM-04 and LM-08 have identified significant gold and silver intersections in areas that lie outside the Exploration Target areas listed in Table 1 and will contribute to a revised Exploration Target to be released in future.

Trenching involves the initial removal of soil overburden and subsequent cut to depth of a minimum 30 centimetres in order for the exposed area to be mapped and sampled with continuous channel sampling. The trenches and sample locations are measured and surveyed such that the trench can be likened to a horizontal drill hole and utilised in any potential future Mineral Resource estimate.

***The gold equivalent calculation formula is $AuEq(g/t) = Au(ppm) + (Ag(ppm)/82)$. The prices used were US\$1,800/oz gold and US\$22/oz silver. Recoveries are estimated at over 90% for gold and 90% for silver from metallurgical testwork studies (refer to ASX announcement dated 9 November 2023). In Sunstone's opinion all the elements included in the metal equivalents calculation have reasonable potential to be recovered and sold.**

¹ See qualifying statements in the About Sunstone Metals section on page 5.

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Table 1: Limon Epithermal Exploration Target components showing grade and tonnage ranges.

Exploration Target	Min Tonnage (MT)	Max Tonnage (MT)	Metal Content Min. kAuEq ounces	Metal Content Max. kAuEq ounces	Notes (Tonnage estimates use a Specific Gravity of 2.7g/cc)
Central Shoot	20	31	580	1,200	~170 x ~170 x 250m and x 400m for tonnage range; assumes 2 higher grade sub-shoots within Central Shoot area
Domain surrounding Central Shoot	5	7	145	270	Including holes 33, 39, 41; plus 2 areas of mineralisation ~60m x 60m x 250-350m
Anomaly A	1.7	2	50	75	Each area min 50m x 50m x 250m-300m vert
Anomaly B	1.7	2	50	75	Each area min 50m x 50m x 250m-300m vert
Anomaly C	1.7	2	50	75	Each area min 50m x 50m x 250m-300m vert
Total	30	44	875	1700	
Exploration Target	Min Tonnage (MT)	Max Tonnage (MT)	Min. Grade Au (g/t)	Min. Grade Ag (g/t)	Min. Grade AuEq (g/t)
Central Shoot	20	31	0.8	12.0	0.9
Domain surrounding Central Shoot	5	7	0.8	12.0	0.9
Anomaly A	1.7	2	0.8	12.0	0.9
Anomaly B	1.7	2	0.8	12.0	0.9
Anomaly C	1.7	2	0.8	12.0	0.9
Total	30	44			0.9
Exploration Target	Min Tonnage (MT)	Max Tonnage (MT)	Max. Grade Au (g/t)	Max. Grade Ag (g/t)	Max. Grade AuEq (g/t)
Central Shoot	20	31	1.1	15.8	1.2
Domain surrounding Central Shoot	5	7	1.1	15.8	1.2
Anomaly A	1.7	2	1.1	15.8	1.2
Anomaly B	1.7	2	1.1	15.8	1.2
Anomaly C	1.7	2	1.1	15.8	1.2
Total	30	44			1.2

Due to the effect of rounding, the total may not represent the sum of all components Ag/Au ratio = 15 (using Central Shoot Ag/Au ratio from average assay results). Refer to ASX announcement dated 9 November 2023.

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Announcements that have previously been released that referred to the Limon Epithermal Exploration Target without the individual gold and silver grades are as follows:

- Large Limon Exploration Target 9 November 2023
- Large gold target at El Palmar, work starts at Verde Chico 23 November 2023
- STM raises \$5m for growing gold-copper-silver discoveries 13 December 2023
- Limon gold-silver discovery grows significantly 19 December 2023
- Quarterly Activities / Appendix 5B Cash Flow Report 30 January 2024
- Limon gold-silver discovery grows 31 January 2024
- Investor Presentation RRS Summer Series 1 February 2024

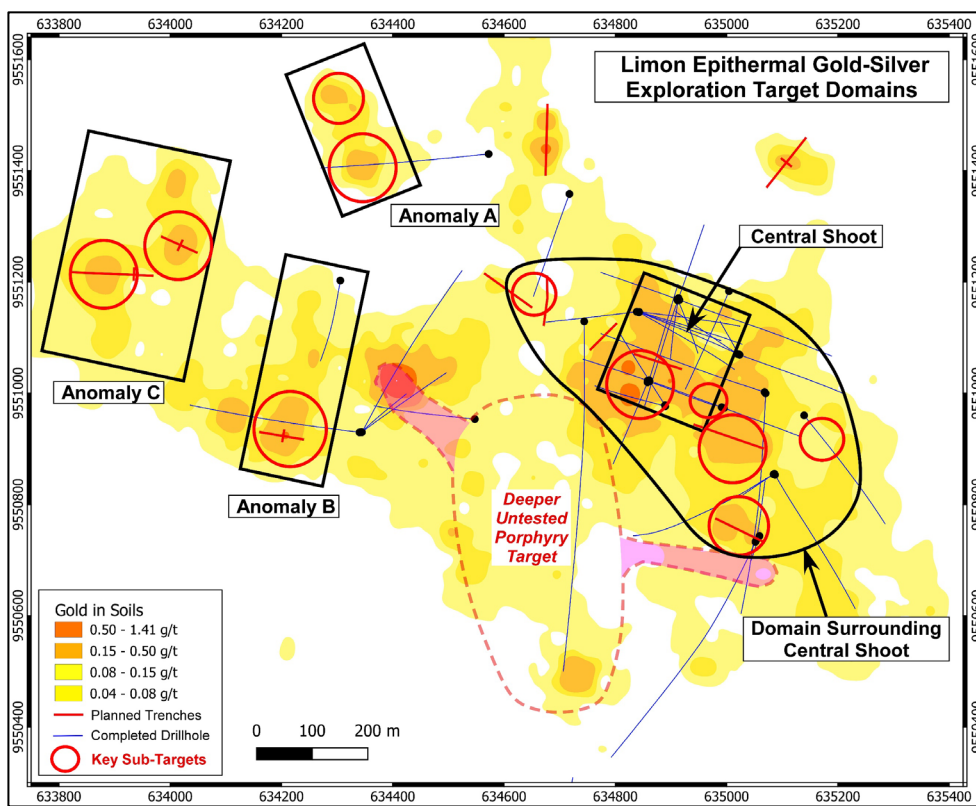


Figure 1: Original figure from the 9 November 2023 ASX release showing areas that were considered in the estimation of an Exploration Target for the Limon gold-silver epithermal system.

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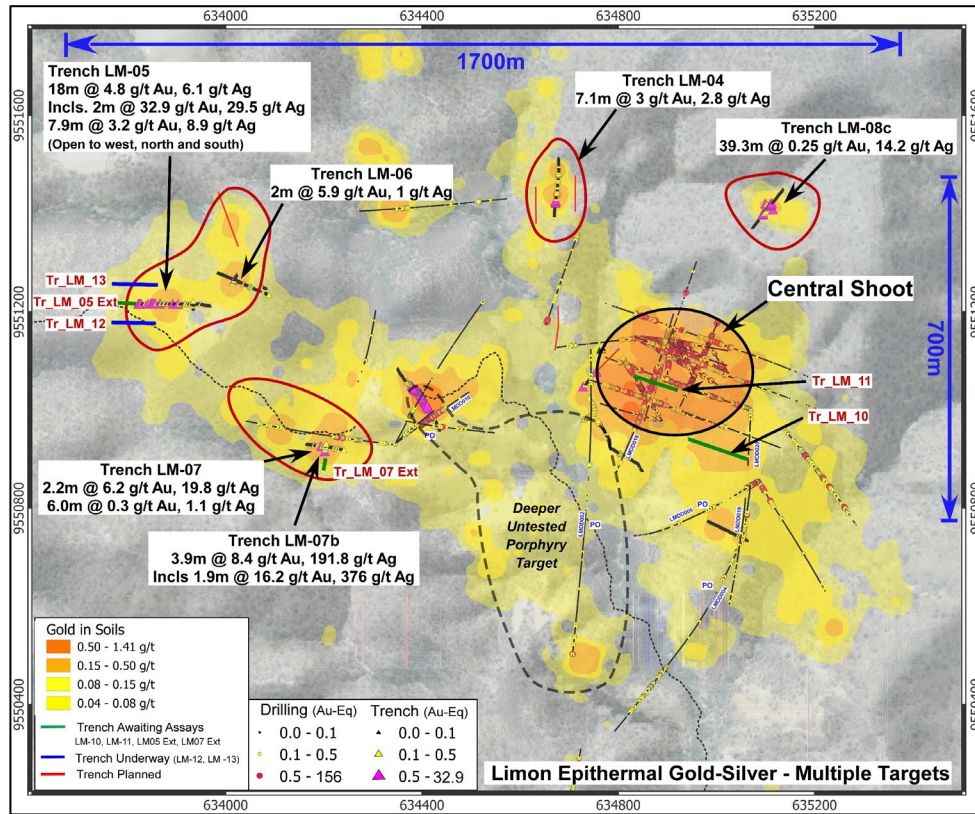


Figure 2: Diagram released on 31 January 2024 showing results from the Limon trenching program which support the Exploration Target assumptions and identify additional areas of gold and silver mineralisation for future consideration.

For further information, please visit www.sunstonemetals.com.au

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About Sunstone Metals

Sunstone has an advanced portfolio of exploration projects in Ecuador. The portfolio comprises:

The Bramaderos Gold-Copper Project, where Sunstone owns an 87.5% interest, and SolGold Canada, Inc. (formerly Cornerstone Capital Resources) a subsidiary of SolGold, holding 12.5% (loan carried through to start of commercial production) (see ASX announcements dated 10 April 2017, 28 August 2019, and 7 January 2020). The Bramaderos gold-copper project is located in Loja province, southern Ecuador, and is highly prospective for the discovery of large porphyry gold-copper systems and high-grade epithermal gold systems. The Bramaderos concession is host to multiple fertile mineralised systems with significant discovery potential.

The Brama-Alba deposit, within the Bramaderos project concession, contains an initial Mineral Resource estimate of 156Mt at 0.53g/t AuEq for 2.7Moz gold-equivalent*. In addition to this is the Bramaderos project porphyry Exploration Target of between 3.3Moz and 8.6Moz AuEq within 255 to 360Mt at a grade between 0.40 and 0.74g/t AuEq (see ASX release dated 13 December 2022), and the Limon epithermal gold-silver Exploration Target of 0.9 – 1.7mill oz AuEq within 30 – 44mill tonnes at a grade of between 0.9 – 1.2g/t AuEq.

JORC Classification	Tonnage (Mt)	Au (g/t)	Cu (%)	Ag (g/t)	AuEq (g/t)	AuEq (Mozs)
Indicated	9	0.38	0.09	1.1	0.53	0.2
Inferred	147	0.35	0.11	1.3	0.53	2.5
Total	156	0.35	0.11	1.3	0.53	2.7

The company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement for the Mineral Resource estimate and Exploration Target referred to above and that all material assumptions and technical parameters underpinning the estimates continue to apply and have not materially changed. The company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

The potential quantity and grade of the Exploration Target is conceptual in nature. There has been insufficient exploration to estimate a Mineral Resource for the target area reported. It is uncertain if further exploration will result in the estimation of a Mineral Resource.

*The porphyry gold equivalent calculation formula is $AuEq(g/t) = (Au\ grade \times Au\ price \times Au\ recov / 31.1035) + (Ag\ grade \times Ag\ price \times Ag\ recov / 31.1035) + (Cu\ grade \times Cu\ price \times Cu\ recov / 100) / (Au\ price \times Au\ recov / 31.1035)$. The prices used were US\$1,800/oz gold, US\$9,500/t copper and US\$22/oz silver. Recoveries are estimated at 89% for gold, 85% for copper, and 60% for silver based on metallurgical studies. In Sunstone's opinion all the elements included in the calculation of metal equivalents have reasonable potential to be recovered and sold.

The El Palmar Copper-Gold Project, where Sunstone holds 70% of the highly prospective 800ha El Palmar gold-copper porphyry project, is located in northern Ecuador. Sunstone can acquire 100% through a Staged Acquisition Agreement. A Staged Acquisition Agreement to acquire the nearby Verde Chico Project has also been signed. The El Palmar and Verde Chico gold-copper projects are located in Imbabura province, northern Ecuador, within the same geological belt that includes the giant Alpala, Tandayama-America and Llurimagua porphyry copper-gold and copper-molybdenum deposits.

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Competent Persons Statement

The information in this report that relates to exploration results is based upon information reviewed by Dr Bruce Rohrlach who is a Member of the Australasian Institute of Mining and Metallurgy. Dr Rohrlach is a full-time employee of Sunstone Metals Ltd and has sufficient experience which is relevant to the style of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the “Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves”. Dr Rohrlach consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Mr Malcolm Norris, Managing Director of Sunstone Metals Ltd., has authorised this announcement to be lodged with the ASX.